



State of Wisconsin
Department of Health and Family Services

Jim Doyle, Governor
Helene Nelson, Secretary

Managed Care for SSI Related Persons

Change to Base	FY 04		FY 05	
	GPR	All Funds	GPR	All Funds
MA Expenditures *	-\$3,774,300	-\$9,077,200	-\$12,689,900	-\$30,511,800
Administrative Costs	\$64,000	\$154,800	\$64,000	\$154,800
Total	-\$3,710,300	-\$8,922,400	-\$12,625,900	-\$30,357,000

* The Governor's budget assumes a lower level of savings in FY04 and a higher level of savings in FY05. The biennial savings totals are the same under both approaches. Based on further analysis, DHFS determined it was likely to achieve a larger proportion of the savings in the first fiscal year than originally projected.

Description of Proposal

- Implement statewide mandatory managed care for SSI eligibles.

Background

- Most non-institutionalized SSI recipients receiving Medicaid (MA) are enrolled on a fee-for-service (FFS) basis.
- The Department currently operates one small voluntary acute care managed care program for disabled adult recipients in Milwaukee County, known as the Independent Care (I-Care) program. Also, the Department operates in a limited number of counties a managed care program, called the Wisconsin Partnership program, that provides both acute care and long-term care for disabled persons living in the community as an alternative to nursing home care.
- Adults with disabilities residing in the community are a high cost fee-for-service (FFS) population in the MA program. Statewide in 2000, MA FFS expenditures totaled over \$600 million AF (\$240 million GPR) for approximately 100,000 SSI-eligible persons age 18 and older living in the community.
- A significant portion of the FFS cost is due to the use of inpatient hospital services, emergency room and outpatient hospital services for chronic conditions. Although the cost of care associated with chronic conditions can be high, it is the lack of care coordination, case management, and disease management that results in excessive and unnecessary expenditures.
- In special managed care programs every individual is assigned a care coordinator, a primary care physician, has access to dental services, and receives a full medical assessment within 60 days of enrollment.
- Federal rules prohibit mandatory managed care enrollment for Medicare recipients. As a result, the mandatory program could only be applied to MA only recipients. Individuals eligible for Medicare and MA (dual eligible) could only be enrolled into managed care on a voluntary basis. In addition, children under age 18 can only be subject to mandatory enrollment with the approval of a federal waiver.

- Individuals that are in the community support program, in any other managed care capitated program (such as the Partnership programs and Family Care), or in a Medicaid home and community-based waiver program would be exempt from mandatory enrollment.
- This estimate assumes a 90% mandatory enrollment level for Medicaid only eligible adults, 40% voluntary enrollment for Medicaid only eligible children, and 40% voluntary enrollment for dual eligible adults and children.
- This initiative will require \$154,767 AF (\$64,000 GPR) per year in FY 04 and FY05 for administrative costs. The \$154,767 AF will be used for contractual services including an enrollment contractor, ombudsmen services, and system modifications.

Rationale for Proposal

- Implementation of a managed care system for SSI adults with disabilities will provide improved care coordination, improve provider access, provide more comprehensive patient treatment, and allow for greater oversight of service providers and quality.
- Managed care will generate savings compared to FFS since the capitation rate is based on the equivalent cost under FFS less a discount.